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SERVICE DATE - NOVEMBER 19, 2001

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34112]

Cape May Seashore Lines, Inc.—Modified Rail Certificate

On October 22, 2001, Cape May Seashore Lines, Inc. (CMSL), a noncarrier, filed an application¹ for a modified certificate of public convenience and necessity under 49 CFR 1150, Subpart C, Modified Certificate of Public Convenience and Necessity, to operate approximately 28.94 miles of rail line on the Cape May Branch between milepost 51.87 at Tuckahoe, NJ, and milepost 80.0 at Cape May City, NJ, and on the Cape May Point Branch between milepost 0.0 at Cape May City and milepost 2.6 at Cape May Point. Consolidated Rail Corporation (Conrail) owned and operated the line until September 15, 1978, when it was sold to the Commuter Operating Agency of the New Jersey Department of Transportation pursuant to sections 206(c)(1)(D) and 206(d)(5)(C) of the Regional Rail Reorganization Act of 1973, as amended, 45 U.S.C. 701 et seq. It is CMSL's understanding that Conrail continued to provide freight service over the line until June 10, 1983, when Conrail obtained authority from the former Interstate

¹ CMSL concurrently filed redacted and unredacted versions of its application, along with a request for a protective order. A protective order limiting access to and use of applicant's confidential information contained in its unredacted filing was served on November 2, 2001.

Commerce Commission to terminate operations over the line.²

CMSL also states that after Conrail terminated its operations, The Shore Fast Line, Inc.,³ a Class III short line railroad, provided freight service on the line. This carrier was subsequently replaced by the Southern Railroad of New Jersey.

On May 21, 1999, CMSL entered into a long term lease agreement with the New Jersey Transit Authority (NJT), successor to the New Jersey DOT's Commuter Operating Agency, to provide excursion passenger service on the line. This agreement was modified on May 22, 2001, to give CMSL the sole and exclusive right to operate both excursion passenger and common carrier freight service. The initial term of the lease between CMSL and NJT is for approximately 30 years, from May 21, 1999, to July 31, 2029.

The line connects with the Conrail Shared Assets Operation at milepost 51.87 at Tuckahoe, NJ, providing customers with access to both CSX Transportation, Inc. and Norfolk Southern Railroad Company. CMSL will initially provide freight service over the line on an as-needed basis, and will expand this service as conditions warrant.

The rail segment qualifies for a modified certificate of public convenience and necessity. See Common Carrier Status of States, State Agencies and Instrumentalities

² See Conrail Abandonment in Cape May County, NJ, Docket No. AB-167 (Sub-No. 478) (ICC served July 1, 1983).

³ See generally, Better Materials Corporation and J.C. McHugh-Control Exemption-The Shore Fast Line, Inc., and The Shore Fast Line, Inc.-Operation and Commodities Clause Exemption, Finance Docket No. 30156 et al., (ICC served May 3, 1983).

and Political Subdivision, Finance Docket No. 28990F (ICC served July 16, 1981).

CMSL indicates that no subsidy is involved, that there are no preconditions for shippers to meet in order to receive rail service, and that it has obtained liability insurance coverage.

This notice will be served on the Association of American Railroads (Car Service Division) as agent for all railroads subscribing to the car-service and car-hire agreement: Association of American Railroads, 50 F Street NW, Washington, DC 20001; and on the American Short Line and Regional Railroad Association: American Short Line and Regional Railroad Association, 1120 G Street NW, Suite 520, Washington, DC 20005.

Decided: November 7, 2001.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary